

G. WARNOCK

MINING & GEOLOGICAL CONSULTANT

March 7, 1975

MINING PLAN
PARAGRAPH XIV, a thru c.

MINING LEASE AT(05-1)--ML-60.8-NM-B-1

- (1) Location and area: S2, SE, SE, 13, 13N, 11W approximately 20 acres.
- (2) Map 103-007-015-T-2, showing location of open pit.
- (3) Map 103-007-015-M-1, showing orebody and access route, proposed open pit and proposed underground mining.
- (4) Proposed operating method: Open pit mining with refilling of the pit behind mining in the first stage and underground mining in the second stage.

4.1) Open pit mining method-stripping with bulldozer, drilling, blasting, loading to trucks with front-end loader. Entry to the pit will be from the inclined ramp indicated on Map 103-007-015-M-1. As ore is mined and pit advances the ramp will also advance over waste. An estimated 40,000 cubic yards must be removed from the pit in beginning for working room. An underground operation will be established at the northside of pit (this portion not refilled) when stripping deeper becomes uneconomical.

4.2) Underground operation will commence in seven to eight months time and will consist of 2-4° decline from the pit, 7 x 8 ft. main entries with trackless LHD equipment. Laterals to develop ore will be 6 x 7 foot with back to follow ore. Laterals will be run to assay limits followed by retreat mining using random room and pillar system in retreat. Blasting will be with resuing undercut of waste with back support per New Mexico Safety Code Regulations for Uranium Mines, 1 thru 7 for uranium mines back support. No water is expected due to shallow ground on an elevated bench; however, permanent 1" drill water lines will be utilized with an air pump if necessary to control water. Any mine water would be impounded in one or the other of several existing old pits in the area-both on and off of the ERDA Lease.

4.3) Ventilation will be positive forced-with 3 each 5000 cfm (at 500') Joy axivane I-21 blowers with 20" tubing at entries and negative either thru second inclined entries or 8" drill holes drilled for that purpose. N. M. Regulations for Diesel equipment underground stipulating 75 cfm per HP will be maintained. Radiation from dead air abandoned areas will be controlled by brattice cloth, sealed barriers and filling where practical

and circulated air will meet the requirements (500 cfm/man) of N. M. Regulations for Anfo.

- (5) Map 103-007-015-T-2 indicates location of old and new roads required for the operation. The right of access across the corner of Section 24, although currently granted, can be rescinded at will. We, therefore, show an alternate possible access route across the SW 1/4, 13, which is privately owned and currently held by me with an option to lease which guarantees access to the property. However, new road building in the SW 1/4, 13 will involve considerable rock work, and the NW 19, 13N, 10W route as indicated on 103-007-015-T-2 will be used exclusively-unless right of surface access on 24, 13N, 11W is rescinded.

- SE? 5.1) All surface structures will be skid mounted and mobile. They consist of a powder magazine, cold storage, work shop, office and diesel-gasoline storage tanks. All will be located on the private lease on N2, NW, 19, 13N, 10W, as depicted on 103-007-015-T-2. No surface bins, or other permanent structures will be placed on the lease with the possible exception of power line poles from a transformer in NW, 24, 13N, 11W during the underground phase of the operation. Fuel storage will be skid mounted tanks sat on existing muck piles (on Section 19) for gravity drainage. If access across 24, 13N, 11W is rescinded, as discussed above, the surface facilities will be located on SW 1/4, 13, 13N, 11W near the ore stockpile as shown on 103-007-015-T-2 and M-1.

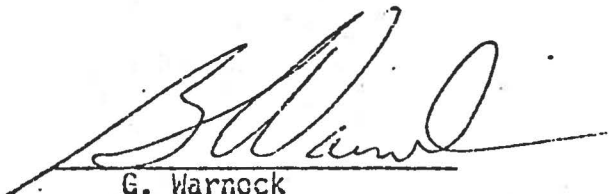
- 5.2) All ore stockpiles will be on the ERDA Lease per 103-007-015-T-2 and M-1. No low grade will be taken from the pit and this mineralization will be lost under current economics. Low grade that must be extracted from underground will be stockpiled near the ore stockpiles as depicted on the maps. Waste rock from the pit that must be trucked will be dumped on the currently existing dump area west of the pit as depicted on the maps. Soil from the pit will be bulldozed outside of the pit rim and heaped there-awaiting being contoured back toward the pit at completion of open pit mining. The ramp and working area in the pit maintained for underground access will not be refilled until the lease is abandoned.

- 5.3) Sewage and refuse disposal will be handled per McKinley County, New Mexico regulations. County zoning regulations will be observed. Potable water does not exist on the property and must be supplied.

- 5.4) Due to grazing livestock in the area, a sheep tight fence will be constructed along the eastside line of the lease from 13-19 corner to and butted against the cliff at the base of Haystack Mountain; from 13-19 corner (with 24 access area inside the fence) along the south lease line to overhang the Todilto bench

cliff along the line (on the old waste dump); and at the westside line of the SW 1/4 of the lease between cliff of the mountain and the cliff of the bench. Locked gates will exist at the 13-19 corner and the westside line fence. This will restrict all livestock from the Todilto bench area of SW 1/4, 13.

- 5.5) Surface restoration will consist of contouring of the pit and dump/stockpile areas. Soil stripped from the pit will be stockpiled around the pit and contoured over the pit fill area. Waterbars and gradedips will be constructed and maintained as necessary on all roads. Revegetation will be as directed by the Contracting Officer. The brass cap section marker at 13-19 will be disturbed when mining into the corner. We will reference it approximately 300 feet from the corner with steel capped pipes accurately surveyed, plotted, and once the pit is filled, replace the original marker.
- 5.6) All provisions of existing regulatory bodies as regards control of fire, pollution, and protection of natural resources will be adhered to.
- 5.7) The 7300 foot contour stipulation of the lease will be observed. The mining plan contemplates no activity above 7200 feet in elevation.
- (6) Abandonment and environmental requirements: This current mining plan application is for a very small, isolated portion of the lease. Upon termination of this mining, additional exploration will be on going for several years-hopefully resulting in a second mining plan application. Therefore, the lease will not be abandoned at the termination of this mining campaign. However, the pit area will be abandoned and restored as indicated above. Early abandonment of the underground areas will be determined by continuing exploration potential in the immediate area or not.
 - 6.1) At cessation of underground operations all openings will be made inaccessible-by locked doors if re-entry is intended-and sealed permanently with concurrence of the Contracting Officer on final abandonment.
 - 6.2) All structures placed on the lease will be removed-if requested by the Contracting Officer.
 - 6.3) Upon final abandonment of the lease all wastes and disturbed areas will be contoured and revegetated to the satisfaction of the Contracting Officer.


G. Warnock

REAL PROPERTY MANAGEMENT
OFFICE ROUTING SLIP

Date 3-25-75

 W. Barber

2 D. Morris

 L. Morris

 F. Schrock

Note: Make arrangements
to go w/ BLD.

WJ

*Norman -
Vote*